

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1729 – SB 2639

March 23, 2018

SUMMARY OF ORIGINAL BILL: Requires the Division of TennCare to submit an annual report of any cost savings realized by the Division as a result of decreases in payments to health care providers due to implementation of the Medication Therapy Management pilot program. Requires the report be submitted to the chairs of the Senate Health and Welfare Committee and Health Committee of the House of Representatives by March 1 of each year the pilot program is in operation.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (015826): Deletes all language after the enacting clause. Prohibits the Division of TennCare (Division), in developing or implementing any payment reform initiative involving the use of episodes of care with respect to medical assistance, from imposing a fine or penalty on any provider. Authorizes the Division to impose withholds in order to recover some portion of costs that exceed a cost threshold for an episode developed by the initiative. Prohibits calling a withhold a fine or a penalty.

Requires the Division to study the means of fair and just implementation of episodes of care initiatives, especially with respect to costs associated with: a healthcare facility located in an area that lacks an alternative healthcare facility within a 30-minute drive; lack of more than a single provider of healthcare services for including, but not limited to, radiology, anesthesia, pathology, or physical therapy; and contractual agreements between the Division of TennCare, managed care organizations, and other participating providers or healthcare facilities associated with particular episodes of care if such contracts are the cause of increased costs.

Requires the Division, no later than January 31, 2019, to report the results of the study to the Health and Welfare Committee of the Senate and the Health Committee of the House of Representatives.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

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Assumption for the bill as amended:

- Based on information provided by the Division, the proposed legislation can be accommodated utilizing existing resources without an increased appropriation or reduced reversion.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumption for the bill as amended:

- The proposed legislation will not have a significant impact on commerce or jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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